

EXHIBIT 3

Bradly Schwab Deposition Tr. (Excerpt)

1
2 IN THE UNITED STATES BANKRUPTCY COURT
3 FOR THE NORTHERN DISTRICT OF ILLINOIS
4 EASTERN DIVISION
5
6

In re:) Case No. 15-01145
7) (ABG)
CAESARS ENTERTAINMENT)
8 OPERATING COMPANY, INC.,) Chapter 11
et al.,)
9)
Debtors.)

10 -----)
11
12
13
14
15

16 DEPOSITION OF BRADLY SCHWAB
17 New York, New York
18 Tuesday, January 16, 2018
19
20
21
22

23 Reported by:
24 KRISTIN KOCH, RPR, RMR, CRR
25 JOB NO. 135595A

1 B. Schwab

2 paragraph, the second sentence in particular,
3 the one which begins "if this is a transaction
4 Planet Hollywood would like to pursue."

5 A. Uh-huh.

6 Q. Is it correct that you understood at
7 that point in time that you did not have an
8 agreement concerning the terms of a purchase
9 and sale agreement with Earl of Sandwich?

10 MR. BALBER: Object to the form of
11 the question.

12 A. As I said, I don't remember
13 specifically at that point in time. All I can
14 refer to is what's written in front of me.

15 Q. Is it fair to say that you wouldn't
16 have said "if this is a transaction Planet
17 Hollywood would like to pursue" if you
18 understood you had a deal at that point in
19 time?

20 MR. BALBER: Object to the form of
21 the question.

22 A. It's just words. I mean, I think
23 there is a transaction based on 59.72 percent
24 of 2.15 million.

25 Q. Based on the e-mails that we have

1 B. Schwab

2 reviewed so far, did you understand Cowen to
3 have had an agreement with Earl of Sandwich
4 concerning the purchase and sale of the
5 bankruptcy claim?

6 A. Can you define "agreement"?

7 Q. A mutual understanding concerning
8 the purchase and sale of the bankruptcy claim
9 whose terms were defined -- under defined
10 terms.

11 A. I would say an understanding to
12 employ best efforts to move forward to see if
13 you could get to a document that's mutually
14 acceptable.

15 Q. Is that based solely on Thomas'
16 2:04 p.m. e-mail on the third page of the -- of
17 Exhibit 81?

18 MR. BALBER: Object to the form of
19 the question.

20 A. I guess it is. I mean, if you are
21 just referring to an e-mail, I guess.

22 Q. Do you remember having spoken with
23 Thomas Avallone?

24 A. I remember speaking -- I know there
25 was a conversation. I don't remember the

1 B. Schwab

2 contents of the conversation.

3 Q. I am going to refer you to the
4 9:47 a.m. e-mail that precedes it on the same
5 page in which Thomas Avallone writes to you:
6 "Please forward draft document."

7 Do you remember having received this
8 e-mail?

9 A. I don't recall receiving it, but
10 it's here.

11 Q. Sitting here today, what did you
12 understand this response to mean?

13 A. That there is an understanding to
14 push forward all subject to figuring out a
15 purchase and sale agreement, which is subject
16 to negotiation based on the terms and
17 conditions that were listed earlier.

18 Q. Is it possible that Tom was
19 responding to your e-mail -- to the second
20 paragraph of your 3:47 p.m. e-mail "please
21 confirm that you are good with the above terms
22 and I will forward you a purchase and sale
23 agreement for review"?

24 MR. BALBER: Object to the form of
25 the question.

1 B. Schwab

2 A. No. Not that I know. And this is
3 Thursday. No, I don't believe there is.

4 Q. You testified earlier that Cowen
5 Special Investments did not record bankruptcy
6 claim trades absent the existence of an
7 Assignment of Claim Agreement; is that correct?

8 MR. BALBER: Objection.

9 Mischaracterizes the witness' prior
10 testimony.

11 You can answer.

12 A. We did not put anything on the books
13 and records until there were signed purchase
14 and sale agreements.

15 Q. On January 12 did you instruct --
16 withdrawn.

17 Following this e-mail exchange, did
18 you do anything to ensure that this claim trade
19 was reflected on Cowen's books and records?

20 A. After the correspondence I had I
21 wasn't involved in the transaction ever again.

22 Q. Do you know who was involved?

23 A. I would -- I mean, from the
24 standpoint of Gail was managing the process and
25 then it went from there.

1 B. Schwab

2 Q. Do you know if Gail did anything to
3 ensure that the trade was reflected on the
4 books and records of Cowen Special Investments?

5 A. Not that I'm aware of, just because
6 you wouldn't put it on the books and records
7 unless there is an executed purchase and sale
8 agreement.

9 Q. Did Thomas ever tell you that any
10 transaction with Earl would be subject to the
11 approval of Robert Earl?

12 A. I don't remember. I only know there
13 was a conversation which I don't remember the
14 contents of.

15 Q. Did Thomas ever advise you that he
16 was a member of the Official Committee of
17 Unsecured Creditors in the Caesars Chapter 11
18 cases?

19 A. I don't remember.

20 (Exhibit 83, e-mail dated January
21 12, 2017, Bates stamped Confidential
22 CSI_00000112 through Confidential
23 CSI_00000122, marked for identification.)

24 Q. Do you recognize this document? I
25 am referring to the first page only.

C E R T I F I C A T E

STATE OF NEW YORK)

) SS. :

COUNTY OF NASSAU)

I, KRISTIN KOCH, a Notary Public
within and for the State of New York, do
hereby certify:

That BRADLY SCHWAB, the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 19th day of January, 2018.

KRISTIN KOCH, RPR, RMR, CRR, CLR